

SUPPORTING STATEMENT FOR
Consumer Price Index Commodities and Services

This request seeks clearance for an extension of the Consumer Price Index Commodities and Services information collection.

A. JUSTIFICATION

- 1. Explain the circumstances that make the collection of information necessary. Identify any legal or administrative requirements that necessitate the collection. Attach a copy of the appropriate section of each statute and regulation mandating or authorizing the collection of information.**

Section 2 of Title 29, Chapter 1, Subchapter 1, United States Code annotated directs “The Bureau of Labor Statistics, under the direction of the Secretary of Labor, shall collect, collate, and report at least once each year, or oftener if necessary, full and complete statistics of the conditions of labor and the products and distribution of the products of the same, and to this end said Secretary shall have power to employ any or either of the bureaus provided for his department and to rearrange such statistical work, and to distribute or consolidate the same as may be deemed desirable in the public interests; and said Secretary shall also have authority to call upon other departments of the Government for statistical data and results obtained by them; and said Secretary of Labor may collate, arrange, and publish such statistical information so obtained in such manner as to him may seem wise.” The United States Code can be viewed on the U.S. Government Publishing Office (GPO) public website at <https://www.govinfo.gov/content/pkg/USCODE-2020-title29/pdf/USCODE-2020-title29-chap1-subchapI-sec2.pdf>

The Consumer Price Index (CPI) is the only index compiled by the U.S. Government that is designed to measure changes in the purchasing power of the consumer's dollar. The CPI is a measure of the average change in prices over time in a market basket of goods and services. It is calculated monthly for two population groups, one consisting of all urban families (CPI-U), and the other consisting of urban wage earners and clerical workers (CPI-W). The CPI-U represents the buying habits of over 90 percent of the population of the United States, while the CPI-W represents approximately 30 percent of the population of the United States.

The CPI geographic area sample classifies areas into four Census regions (Northeast, Midwest, South, and West). The design also classifies these areas into nine Census divisions: New England, Middle Atlantic, East North Central, West North Central, South Atlantic, East South Central, West South Central, Mountain, and Pacific. Primary sampling units (PSUs) are classified into one of two population-size classes—self-representing or non-self-representing. The PSU area definitions are based on Office of Management and Budget’s (OMB) Core-Based Statistical Areas (CBSAs) definitions. There are two types of CBSAs: metropolitan and micropolitan. A metropolitan CBSA has an urban core of more than 50,000 people, and a micropolitan CBSA has an urban core of 10,000 to 50,000 people. CBSAs may cross state borders. In the geographic area sample design, the number of sampled PSUs in the CPI is 75.

In addition to the CPI-U and CPI-W, the BLS also produces the Chained Consumer Price Index for all urban consumers (C-CPI-U). The C-CPI-U is a “superlative” type index that is designed to be a closer approximation to a “cost-of-living” index than the CPI-U and CPI-W. The C-CPI-U is distinguished from the CPI-U and CPI-W by the expenditure weights and formula used to produce aggregate measures of price change. Expenditure data required for the calculation of the C-CPI-U are available only with a time lag. Thus, the C-CPI-U is being issued first in preliminary form using the latest available expenditure data at that time and is subject to

subsequent revisions. The C-CPI-U is issued for national averages only and is not seasonally adjusted.

The BLS issues a research CPI for the elderly or R-CPI-E, which is calculated monthly and is available on the CPI website, along with other CPI research series. The R-CPI-E is a reweighting of the CPI basic indexes using expenditure weights from households headed by someone 62 years of age or older.

2. Indicate how, by whom, and for what purpose the information is to be used. Except for a new collection, indicate the actual use the agency has made of the information received from the current collection.

First, the CPI is used most widely as a measure of inflation and serves as an indicator of the effectiveness of government economic policy. Second, it is also used as a deflator of other economic series, that is, to adjust other series for price changes and to translate these series into inflation-free dollars. Examples include retail sales, hourly and weekly earnings, and components of the Gross Domestic Product.

A third major use of the CPI is to adjust dollar values. Over 2 million workers are covered by collective bargaining contracts, which provide for increases in wage rates based on increases in the CPI. At least fifteen states have laws that link the adjustment in state minimum wage to the changes in the CPI. The index affects the income of more than 100 million people as a result of statutory action: over 65 million Social Security beneficiaries and over 41 million Supplemental Nutrition Assistance Program (SNAP) recipients, among other programs. Changes in the CPI also affect the cost of lunches for over 30 million children who eat lunch at school as part of the National School Lunch Program (NSLP). Under the National School Lunch Act and Child Nutrition Act, national average payments for those lunches and breakfasts are adjusted annually by the Secretary of Agriculture on the basis of the change in the CPI series, "Food away from Home." Many private firms and individuals use the CPI to keep rents, royalties, alimony payments and child support payments in line with changing prices. Since 1985, the CPI has been used to adjust the Federal income tax structure to prevent inflation-induced tax rate increases.

3. Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g., permitting electronic submission of responses, and the basis for the decision for adopting this means of collection. Also, describe any consideration of using information technology to reduce burden.

Trained BLS Economic Assistants collect all data by one of the following methods: (1) visiting the retail outlets and service providers (which include brick and mortar, catalogs, and websites) and collecting data without any respondent assistance, (2) visiting the retail outlets and service providers, and collecting data that are provided orally by a respondent, (3) contacting the respondent by telephone or video call to collect data, (4) using email, with or without a shuttle form¹, when requested by the respondent, or (5) accessing price data from the outlet's website when requested by the respondent. In all cases, the collection of data is completed by BLS employees and respondents are provided a shuttle form upon request as part of refusal avoidance strategies. A small number of items are priced by national office staff from data supplied by vendors; for example, new cars and trucks are priced using data from the Power Information Network – PIN, a business division of J.D. Power and Associates. The BLS uses gasoline transaction data from a mobile application (app) company and new vehicle transaction data that has been purchased from an automotive data analytics company. In March 2016, one corporation began submitting prescription drug transaction data directly to the CPI. In March 2019, another corporation began sending transaction data for mostly apparel and household items by Secure File Transfer Protocol (SFTP). The BLS is in the process of incorporating medical claims data in the indexes for physicians' services and hospital services.

¹ See attachment H: MC011 shuttle form

The BLS uses a computer assisted data collection (CADC) method for initiating and pricing the commodities and services (C&S) part of the CPI program. This CADC technology enables BLS employees to collect data in a structured way that promotes the accuracy of collected data and ensures that the security of the data is maintained through tracked electronic transmission. There are no respondent record-keeping requirements associated with the CADC method. BLS Economic Assistants perform all data collection and record keeping.

The BLS uses encrypted tablet computers for data collection. There is an electronic manual with the procedures for selecting and subsequently pricing items using the CADC instrument. The C&S items for which data are collected with the CADC instrument represent approximately 67% of the expenditures included in the CPI, the other 33% being represented by the two housing components, residential rent, and owners' equivalent rent.

Because data are collected with the CADC instrument there are no forms or form numbers. Copies of the current CADC instrument 'screen shot forms' are attached (Attachment A).

The specific CADC Screen capture snapshots are:

The Group Messages tab - This screen contains outlet system messages, e.g., personal visit required, Live Schedule Review (LSR), and Live Schedule Review Kickback (LSR KB) messages and their responses that are being sent out to the collection staff.

The Group Location tab – This screen identifies the outlet name, type, address, city, state, ZIP Code, telephone number, shopping center, cross street, and type of business information.

The Group Contact Info tab – This screen identifies the preferred contact time, respondent, respondent information, instructions specifically related to the outlet, outlet sequence, and outlet wild card which provides a way to organize the order of schedules to enable efficient collection.

The Group Authorizing Official/COC tab – This screen contains the name of the authorizing official, their address, city, state, and telephone number, plus the COC Status and COC Instructions for the group.

The Quote Messages tab – This screen contains messages from the Washington Office (WO) - Commodity Analyst (CA) message, e.g., "WO requests that you please update description for code from A1 to A2"; System Messages, e.g., "Include applicable taxes in reported price"; and Field Messages, e.g., "Price change due to new ownership."

The Quote Respondent/Location/Seasonal Information tab – This screen contains the respondent's name and location/department, quote sequence number, Index Primary Sampling Unit (PSU) Group, Index PSU, and unique item season.

The Quote Action/Description tab – This screen describes the characteristics of the priced item.

The Quote Price tab – This screen contains the collected price and price adjuncts, e.g., size values.

The Quote Corrections tab - This screen contains the effective date and reported corrections to previously collected price and price adjunct values, e.g., size.

The Entry Level Item (ELI) Checklist screen – This screen contains the complete range of specifications needed to describe a unique item within an ELI. This screen is used to

record initiations, re-initiations, substitutions, changes to current item descriptions, and redescrptions associated with revised checklists.

The ELI Info screen – This screen contains ELI-specific instructions associated with each ELI Checklist.

The Disaggregation Utility screen – This screen is where measures of sales data are entered when disaggregating to a unique item.

The Selling Season Worksheet screen – This screen contains the months assigned to each of the two seasonal periods for quotes which fall in the 31 Washington Office Designated Seasonal (WODS) ELIs.

As has been past practice, but especially during the COVID-19 pandemic, the top priority of the CPI program was the health, safety, and well-being of all staff. To ensure the safety of data collection staff, personal visit data collection for the C&S survey was suspended and personal visit collection burden was reduced to zero from mid-March 2020 to February 2022. During this time period, data were collected via telephone, email, internet, and video. Beginning in March 2022, and following guidance from the federal, state, and local governments, data collection started resuming the use of personal visits. The initial priority was on goods and services where collection was precluded due to temporary business closures or the unavailability of websites.

Should future circumstances warrant a suspension of personal visit collection to ensure the health, safety, and well-being of all CPI staff, the program anticipates continuing data collection activities via the use of telephone, email, internet, and video. We will partner with respondents to determine how we transition back to personal visit collection, and it will be determined by the circumstances and policies in place at that time.

CPI C&S survey Collection Method During COVID-19 Pandemic, percent of total

Month	Year	Personal visit	Telephon e	Online	Total
February	2020	72	10	18	100
March	2020	44	14	42	100
April	2020	0	18	82	100
February	2021	0	16	84	100
March	2021	0	16	84	100
April	2021	0	16	84	100
February	2022	1	13	86	100
March	2022	2	12	86	100
April	2022	3	12	85	100
February	2023	37	9	54	100
March	2023	42	9	49	100
April	2023	43	9	48	100

4. Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use for the purposes described in Item A.2 above.

The CPI is the nation's chief source of information on retail price changes. The BLS has made extensive efforts to identify from other government agencies and the scientific literature other sources of data and any duplication of indexes, but to the BLS's knowledge, there is no other series outside of the BLS available which performs the function of the CPI.

While there is no similar information available that meets the complete needs of the CPI, there are a few companies that collect and compile limited price data. Data from some of these companies are being analyzed for use as a partial alternative to direct BLS data collection.

There is a private organization that uses price information from hundreds of online retailers around the world to gauge inflation trends. In comparison, the CPI is broader and has many sectors that are difficult to monitor online, such as service industries.

The price programs within the BLS continue to examine potential duplication in an effort to expand upon the regular exchange of information for pricing of hospital services. Both the Producer Price Index (PPI) and the CPI programs collect hospital prices from independently sampled outlets. The two programs have a process in place to provide the PPI with the prices collected by the CPI.

5. If the collection of information impacts small businesses or other small entities, describe any methods used to minimize burden.

The continuous efforts on the part of BLS staff to collect data without the respondent's assistance minimize the burden on small business. Additionally, BLS staff may contact respondents by telephone, email, video call, or using the respondent's website to collect data when appropriate. Even more importantly, the burden on small businesses is minimized by the sample rotation process, through which new outlets are selected in a subset of categories in each of the 75 sample areas every year, so that over a four-year period nearly all categories are rotated in all areas. Thus, a small outlet would rarely remain in the survey for more than four years. Furthermore, since outlets and the specific items within outlets are selected for pricing with probability proportional to their dollar volume sales, it is rare for more than a few items to be priced in any one small outlet. In addition, if an outlet requests that current price collection be conducted through their website the CPI will comply.²

6. Describe the consequence to federal program or policy activities if the collection is not conducted or is conducted less frequently, as well as any technical or legal obstacles to reducing burden.

If the information on prices of commodities and services were not collected, the CPI-U, the CPI-W, the C-CPI-U, and the R-CPI-E and other CPI research series would not exist. The programs discussed above in section 2 "Uses of the Information" could not function properly. Federal fiscal and monetary policies would be hampered due to the lack of information on price changes in a major sector of the U.S. economy, and estimates of the real value of GDP could not be made. The consequences to both the Federal and private sectors would be far-reaching and would have serious repercussions on Federal government policy and institutions.

If collection were conducted less frequently than currently performed, the timeliness and accuracy of the CPI would be significantly decreased.

7. Explain any special circumstances that would cause an information collection to be conducted in a manner:

- **requiring respondents to report information to the agency more often than quarterly;**

² As a practice, when a respondent requests a CPI data collector to collect price information from their website, data collectors will ask the respondent if the online prices and price movements are the same as their brick-and-mortar outlets. In situations where the respondent indicates that prices and price movements are the same, the item or service is treated as pricing the same item or service. If the respondent indicates that prices or price movements are not the same, then the item or service is treated as a noncomparable replacement item or service.

- **requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it;**
- **requiring respondents to submit more than an original and two copies of any document;**
- **requiring respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records for more than three years;**
- **in connection with a statistical survey, that is not designed to produce valid and reliable results that can be generalized to the universe of study;**
- **requiring the use of statistical data classification that has not been reviewed and approved by OMB;**
- **that includes a pledge of confidentiality that is not supported by authority established in statute or regulation, that is not supported by disclosure and data security policies that are consistent with the pledge, or which unnecessarily impedes sharing of data with other agencies for compatible confidential use; or**
- **requiring respondents to submit proprietary trade secret, or other confidential information unless the agency can demonstrate that it has instituted procedures to protect the information's confidentiality to the extent permitted by law.**

Most CPI commodities and services data are collected on a monthly or bimonthly basis. This monthly and bimonthly collection of price data enables the BLS to produce monthly CPI data. Currently, the CPI Press Release is published during the second or third week of the month following the reference period.

All data are collected in a manner consistent with the guidelines in the Code of Federal Regulations 5 CFR 1320.5. (d)(2).

8. **If applicable, provide a copy and identify the date and page number of publication in the *Federal Register* of the agency's notice, required by 5 CFR 1320.8(d), soliciting comments on the information collection prior to submission to OMB. Summarize public comments received in response to that notice and describe actions taken by the agency in response to these comments. Specifically address comments received on cost and hour burden.**

Describe efforts to consult with persons outside the agency to obtain their views on the availability of data, frequency of collection, the clarity of instructions and recordkeeping, disclosure, or reporting format (if any), and on the data elements to be recorded, disclosed, or reported.

Consultation with representatives of those from whom information is to be obtained or those who must compile records should occur at least once every 3 years -- even if the collection-of-information activity is the same as in prior periods. There may be circumstances that may preclude consultation in a specific situation. These circumstances should be explained.

One comment has been received as a result of the notice published in the Federal Register, 88 FR 19678 on April 3, 2023.

The comment addressed the use of the Consumer Price Index being used by the U.S. Department of Agriculture (USDA) to establish levels of support for free and reduced price school meal benefits, and program reimbursement rates (National Average Payments). Support offered through the National School Lunch and School Breakfast Programs is directly impacted by national average payments, and through this mechanism the CPI indirectly impacts the funding of school districts across the nation. Any changes in calculation of the CPI need to take into consideration the broad impact and the programs that conduct direct certification through other programs. The comment requested that consideration be given to changes in the formula used by USDA to calculate national average reimbursement rates. CPI is used as an economic indicator used by business executives, labor leaders and other private citizens as a guide in making economic decisions. CPI always publicizes any changes made to the methodology of the calculation of the CPI.

Due to the CPI's high visibility, data collection, data review and index methodologies used for its construction are under constant scrutiny by individuals and organizations within and outside the U.S. Government. Organizations with which the BLS has had recent contact for the purposes of eliciting comments regarding methodology and procedures include:

- the Council of Economic Advisers (CEA),
- the Office of Management and Budget (OMB),
- the Congressional Budget Office (CBO),
- the Congressional Joint Economic Committee (JEC),
- the Bureau of Economic Analysis (BEA),
- the Federal Reserve Board (FRB),
- the Federal Economic Statistics Advisory Committee (FESAC),
- the BLS Data Users Advisory Committee (DUAC),
- the BLS Technical Advisory Committee (BLSTAC), and
- the Government Accountability Office (GAO).

The BLS is a full partner with the U.S. Census Bureau (Census) and the Bureau of Economic Analysis (BEA) in the Federal Economic Statistics Advisory Committee (FESAC). The committee advises the Directors of BEA and Census, and the Commissioner of the BLS on statistical methodology and other technical matters related to the collection, tabulation, and analysis of federal economic statistics. A second advisory committee, the BLS Data Users Advisory Committee (DUAC), provides BLS programs with input from a wide variety of data users representing labor, business, government, research, academic organizations, and other groups. A third advisory committee, the BLS Technical Advisory Committee (TAC), focuses on measurement issues that are specific to BLS programs.

In the past two years, members of the CPI staff in Washington have participated in meetings sponsored by the United Nations Economic Commission for Europe (UNECE), National Association for Business Economics (NABE), Eurostat, Committee of National Statistics (CNSTAT), American Statistical Association (ASA), Society of Government Economists (SGE), Barclays and Federal Reserve Board. In addition, they gave multiple presentations at the Joint Statistical Meetings (JSM), Federal Committee on Statistical Methodology (FCSM) Research and Policy Conference, and to a variety schools and colleges to discuss various aspects of the CPI survey, including methodological and procedural aspects of the data collection process.

The BLS Commissioner and Associate Commissioners meet on a monthly basis with the Council of Economic Advisors, and they meet as needed with the Congressional Joint Economic Committee and the Government Accountability Office to discuss BLS issues, and especially the CPI program.

9. Explain any decision to provide any payments or gifts to respondents, other than remuneration of contractors or grantees.

Cooperation by the respondents to supply data for the CPI is voluntary and no remuneration, payment or gift is provided.

10. Describe any assurance of confidentiality provided to respondents and the basis for the assurance in statute, regulation, or agency policy.

The Confidential Information Protection and Statistical Efficiency Act (CIPSEA) safeguards the confidentiality of individually identifiable information acquired under a pledge of confidentiality for exclusively statistical purposes by controlling access to, and uses made of, such information. CIPSEA includes fines and penalties for any knowing and willful disclosure of individually identifiable information by an officer, employee, or agent of the BLS.

Based on this law, the BLS provides respondents with the following confidentiality pledge/informed consent statement:

The Bureau of Labor Statistics, its employees, agents, and partner statistical agencies, will use the information you provide for statistical purposes only and will hold the information in confidence to the full extent permitted by law. In accordance with the Confidential Information Protection and Statistical Efficiency Act (44 U.S.C 3572) and other applicable Federal laws, your responses will not be disclosed in identifiable form without your informed consent. Per the Federal Cybersecurity Enhancement Act of 2015, Federal information systems are protected from malicious activities through cybersecurity screening of transmitted data.

BLS policy on the confidential nature of respondent identifiable information (RII) states that “RII acquired or maintained by the BLS for exclusively statistical purposes and under a pledge of confidentiality shall be treated in a manner that ensures the information will be used only for statistical purposes and will be accessible only to authorized individuals with a need-to-know.”

Special care is taken to ensure data security. Data collected by Economic Assistants using CADC is encrypted and transmitted by a Virtual Private Network (VPN). A VPN is a secure, private communication tunnel between two or more devices across a public network (like the Internet). Even though data travel across the Internet, it is secure because of the strong encryption algorithm used. If an unauthorized user attempts to intercept data across the VPN tunnel, the intruder will not be able to decipher the transmitted data because the data will be encrypted. In addition, VPN software monitors connections such that transmissions are ensured to be unaltered while traveling across the public network.

The data are stored in computer files which have provisions for data security and extensive rules for data access to protect the data from unauthorized use. Collected variables are maintained in the C&S client server database for a period of thirteen months. After that timeframe the data are moved to an archived storage format.

The CADC data capture screens do not include a statement regarding confidentiality or burden since respondents do not see these screens, but the data collection staff do provide respondents a pamphlet titled, *The Consumer Price Index Commodities and Services Survey: Questions & Answers* (Attachment B) that contains the confidentiality and burden statements. The CPI makes use of alternative data collection methods by extracting data directly from websites or using a company’s Application Programming Interface (API). A fact sheet and pamphlet are available, both are titled *The Consumer Price Index: Modernizing Data Collection: APIs & Web Scraping* (Attachments D & E). The CPI also receives datasets directly from a respondent as outlined in

A letter (Attachment F) from the Assistant Regional Commissioner of Labor Statistics is sent to potential respondents. The letter introduces the CPI and explains the mission of the program. The letter assures that information collected will be used for statistical purposes only and contains a confidentiality assurance.

11. Provide additional justification for any questions of a sensitive nature, such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private. This justification should include the reasons why the agency considers the questions necessary, the specific uses to be made of the information, the explanation to be given to persons from whom the information is requested, and any steps to be taken to obtain their consent.

There are no sensitive questions in this survey.

12. Provide estimates of the hour burden of the collection of information. The statement should:

- **Indicate the number of respondents, frequency of response, annual hour burden, and an explanation of how the burden was estimated. Unless directed to do so, agencies should not conduct special surveys to obtain information on which to base hour burden estimates. Consultation with a sample (fewer than 10) of potential respondents is desirable. If the hour burden on respondents is expected to vary widely because of differences in activity, size, or complexity, show the range of estimated hour burden, and explain the reasons for the variance. General, estimates should not include burden hours for customary and usual business practices.**
- **If this request for approval covers more than one form, provide separate hour burden estimates for each form**
- **Provide estimates of annualized cost to respondents for the hour burdens for collections of information, identifying and using appropriate wage rate categories. The cost of contracting out or paying outside parties for information collection activities should not be included here. Instead, this cost should be included in Item 14.**

The respondent burden is estimated to be 113,840 hours per year for fiscal years 2024, 2025, and 2026 based on fiscal year 2023 figures.

Estimation of Respondent Burden (per year) for fiscal years 2024-2026

	No. of Respondents	No. of Visits to Respondent per Year	Total Responses	Respondent Hours Per Response	Total Hours	Hourly Wage Rate*	Cost
Pricing							
Pricing of Private Sector	34,322	9	308,898	0.33	101,936	\$28.88	\$2,943,911.68
Test Pricing of Private	1,000	1	1,000	0.33	330	\$28.88	\$9,530.40

Sector Pricing of State, Local Gov't	300	9	2,700	0.33	891	\$28.88	\$25,732.08
Subtotal for Pricing	35,622		312,598		103,157		\$2,979,174.16
Outlet Rotation							
Initiation of Private Sector Test	9,583	1	9,583	1.00	9,583	\$28.88	\$276,757.04
Initiation of Private Sector	1,000	1	1,000	1.00	1,000	\$28.88	\$28,880.00
Initiation of State, Local Gov't	100	1	100	1.00	100	\$28.88	\$2,888.00
Subtotal for Outlet Rotation	10,683		10,683		10,683		\$308,525.04
GRAND TOTAL	46,305		323,281		113,840		\$3,287,699.20

* Costs calculated using September 2022 mean hourly compensation (\$28.88) from the National Compensation Survey Employer Costs for Employee Compensation (series ID [CMU102000000000D](#)).

The activities included in the tables above are:

Pricing

Pricing of Private Sector & Pricing of State, Local Gov't - The ongoing collection of prices to be used to calculate the CPI each month. The items to be priced have already been selected.

Test Pricing of Private Sector - Is used to assess the possibilities of introducing new methodologies into the index.

Outlet Rotation/Initiation -

Initiation of Private Sector & Initiation of State, Local Gov't - An ongoing process in which new outlets and items are selected for the CPI sample. Sample rotation takes place when a new sample is selected, and an old sample is dropped. The current rotation schedule is based on the efficiencies of rotating some samples in each priced area each year. Under this strategy, on average, a full rotation occurs every four years, thus ensuring a more up-to-date sample of outlets and items than would be the case if a more gradual rotation process was followed.

Test Initiation of Private Sector - Is used to assess the possibilities of introducing new methodologies into the index.

The total annual cost to respondents is approximately \$3,287,699.20 (113,840 burden hours x \$28.88 per hour wage rate). The total cost per respondent is \$71.00 (\$3,287,699.20 total cost / 46,305 respondents).

13. Provide an estimate of the total annual cost burden to respondents or recordkeepers resulting from the collection of information. (Do not include the cost of any hour burden shown in Items 12 and 14).

- **The cost estimate should be split into two components: (a) a total capital and startup cost component (annualized over its expected useful life); and (b) a total operation and maintenance and purchase of service component. The estimates should take into account costs associated with generating, maintaining, and disclosing or providing the information. Include descriptions of methods used to estimate major cost factors including system and technology acquisition, expected useful life of capital equipment, the discount rate(s), and the time period over which costs will be incurred. Capital and start-up costs include, among other items, preparations for collecting information such as purchasing computers and software; monitoring, sampling, drilling and testing equipment; and record storage facilities.**
- **If cost estimates are expected to vary widely, agencies should present ranges of cost burdens and explain the reasons for the variance. The cost of purchasing or contracting out information collection services should be a part of this cost burden estimate. In developing cost burden estimates, agencies may consult with a sample of respondents (fewer than 10), utilize the 60-day pre-OMB submission public comment process and use existing economic or regulatory impact analysis associated with the rulemaking containing the information collection, as appropriate.**
- **Generally, estimates should not include purchases of equipment or services, or portions thereof, made: (1) prior to October 1, 1995, (2) to achieve regulatory compliance with requirements not associated with the information collection, (3) for reasons other than to provide information or keep records for the government, or (4) as part of customary and usual business or private practices.**

This information about collection does not include start-up/capital maintenance/operations costs to respondents beyond the value of a respondent's time.

14. Provide estimates of the annualized cost to the Federal Government. Also, provide a description of the method used to estimate cost, which should include quantification of hours, operational expenses (such as equipment, overhead, printing, and support staff), any other expense that would not have been incurred without this collection of information. Agencies also may aggregate cost estimates from Items 12, 13, and 14 into a single table.

The total annual cost to the Federal Government of collecting, processing, and reviewing the data collected for the CPI program was approximately \$92 million for fiscal year 2022. The Commodities and Services (C&S) Survey is estimated to cost about 70 percent of the total CPI program cost, or about \$64 million. Of the total program cost, approximately \$13 million can be attributed to the CPI Maintenance IT investment. Additionally, roughly 70 percent of the total program funds fund the compensation and benefits for Federal staff.

15. Explain the reasons for any program changes or adjustments.

The projected respondent burden hours for FY 2024 – 2026 are 113,840 hours per year. This is a decrease of 7,565 hours from FY 2021 to 2023. The burden has decreased, in part, because e-commerce quotes with no direct respondent interaction have been excluded from the calculation.

Change in Annual Respondent Burden Hours

	FY 2021 - 2023	FY 2024 - 2026	Difference	Comments
Ongoing Pricing	105,575	102,827	-2,748	
Outlet Rotation	14,500	9,683	-4,817	
Testing	1,330	1,330	0	No Change
Totals	121,405	113,840	-7,565	

16. For collections of information whose results will be published, outline plans for tabulations, and publication. Address any complex analytical techniques that will be used. Provide the time schedule for the entire project, including beginning and ending dates of the collection of information, completion of report, publication dates, and other actions.

The CPI is published monthly and is based on data collected for a particular month. The monthly CPI is first published in a news release between the 10th and 14th of the month following the month in which the data are collected. The index for January is published in mid-February. The release includes a narrative summary and analysis of major price changes, short tables showing seasonally adjusted and unadjusted percentage changes in major expenditure categories, and several detailed tables. The information also is found on the CPI public website at <https://www.bls.gov/cpi/>.

17. If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons that display would be inappropriate.

The Consumer Price Index Commodities and Services Program requests authorization not to display the expiration date for OMB approval on the survey materials, to save printing costs and personnel time.

Printed on the Commodities and Services Survey: Questions & Answers pamphlet is the phrase “The U.S. Office of Management and Budget (OMB) has approved this collection of information and has assigned 1220-0039 as the control number. Without OMB approval and this number, we would not be able to conduct this survey.”

18. Explain each exception to the certification statement.

There are no exceptions to the certification statement, “Certification for Paperwork Reduction Act Submissions.”